



News Release

U.S. Representative Chris Chocola

Second District, Indiana

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Chocola Takes Tough Stand on Trade with China

Votes to strengthen the hand of U.S. manufacturers, pressures China to play by the rules

WASHINGTON, DC – U.S. Rep. Chris Chocola (R-Ind.) believes America's manufacturers can compete anytime, anywhere when given a level playing field. But, China's refusal to comply with international standards of trade has lead to unfair trade. Today, the U.S. House of Representatives took steps to hold China accountable and passed the most comprehensive strengthening of our trade remedy laws since the 1980s. H.R. 3283, the "United States Trade Rights Enforcement Act," which passed the House by a bi-partisan vote of 255-168, offers a wide range of measures to ensure that China abides by the rules of free trade.

"The Trade Rights Enforcement Act takes the largest step in over 15 years toward strengthening our trade remedy laws," said Chocola. "It provides a comprehensive approach towards eliminating many of the inequities that exist in our trading relationships, particularly the US-China trade relationship. It holds China and others accountable and creates tough mechanisms to ensure that our trading partners abide by their commitments."

Currently, U.S. employers are unable to use our trade remedy laws to level the playing field if governments like China subsidize exporters in their country. The only factor that determines whether a U.S. employer can use countervailing duties, or anti-subsidy law, is if the country where the subsidization occurs is a market economy or a non-market economy.

The practical effect of this policy is that manufacturers can level the playing field if subsidies occur in France, Japan, Brazil, or even Taiwan - but if they occur in non-market economies like China or Vietnam, U.S. manufacturers have no recourse against this illegal practice. This is an inequity in U.S. trade law and the "Trade Rights Enforcement Act" corrects the imbalance by applying U.S. countervailing duty laws to goods from non-market economies.

H.R. 3283 also creates a system to audit and report on China's compliance with trade obligations on intellectual property rights, market access for U.S. goods and services, and transparency of domestic trade laws. It requires the Treasury Department to define currency manipulation and clarify legal protections against China and other countries that manipulate their currency. And, it increases funding for the U.S. trade representative to create more trade cops to improve enforcement of existing trade laws.

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“This bill makes common-sense improvements to our trade laws and provides the tools to ensure that our trading partners play by the rules,” said Chocola. “Without the right tools, we can’t police our markets from illegal trade.”

Chocola, who recently introduced “The CHINA Act” to encourage the Chinese government to stop manipulating its currency to achieve trade advantages, has been active in efforts curb China’s trade abuses. In meetings and correspondence with the U.S. secretaries of commerce and treasury, as well as the U.S. Trade Representative, and President Bush himself, Chocola has made the case for passing domestic reforms to ensure that our trading partners play by the rules.

Chocola reacted to last week’s announcement by the Chinese government that it would take steps to end its currency manipulation saying, “After pushing China to halt its currency manipulation and play by the rules, it appears our message is finally breaking through. China’s announcement is a good first step, and the ‘Trade Enforcement Act’ will help us keep-up the pressure to ensure that free trade with China is fair trade.”

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